

1-1 By: Nichols S.B. No. 1055  
 1-2 (In the Senate - Filed February 21, 2023; March 3, 2023,  
 1-3 read first time and referred to Subcommittee on Higher Education;  
 1-4 April 11, 2023, reported adversely, with favorable Committee  
 1-5 Substitute from Committee on Education by the following vote: Yeas  
 1-6 12, Nays 0; April 11, 2023, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12			X	
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			
1-20	X			
1-21	X			

1-22 COMMITTEE SUBSTITUTE FOR S.B. No. 1055 By: Springer

1-23 A BILL TO BE ENTITLED  
 1-24 AN ACT

1-25 relating to the creation of a new university in Nacogdoches, Texas,  
 1-26 within The University of Texas System and the allocation of the  
 1-27 annual constitutional appropriation to certain agencies and  
 1-28 institutions of higher education; abolishing Stephen F. Austin  
 1-29 State University.

1-30 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-31 SECTION 1. AMENDMENT TO EDUCATION CODE. Subtitle C, Title  
 1-32 3, Education Code, is amended by adding Chapter 80 to read as  
 1-33 follows:

1-34 CHAPTER 80. STEPHEN F. AUSTIN STATE UNIVERSITY, A MEMBER OF THE  
 1-35 UNIVERSITY OF TEXAS SYSTEM

1-36 Sec. 80.01. DEFINITIONS. In this chapter:

1-37 (1) "Board" means the board of regents of The  
 1-38 University of Texas System.

1-39 (2) "University" means the university established  
 1-40 under this chapter as Stephen F. Austin State University, a member  
 1-41 of The University of Texas System.

1-42 Sec. 80.02. REFERENCE TO STEPHEN F. AUSTIN STATE  
 1-43 UNIVERSITY. A reference in law to Stephen F. Austin State  
 1-44 University means Stephen F. Austin State University, a member of  
 1-45 The University of Texas System.

1-46 Sec. 80.03. ESTABLISHMENT; SCOPE. (a) Stephen F. Austin  
 1-47 State University, a member of The University of Texas System, is a  
 1-48 general academic teaching institution in Nacogdoches, Texas, under  
 1-49 the governance, management, and control of the board of regents of  
 1-50 The University of Texas System.

1-51 (b) As necessary to achieve the maximum operating  
 1-52 efficiency of the university, the board shall provide for the  
 1-53 organization, administration, and location of the university and of  
 1-54 the colleges, schools, and other institutions and entities of the  
 1-55 university.

1-56 (c) The authority of the board under this section to achieve  
 1-57 the maximum operating efficiency of the university and to provide  
 1-58 for the organization, administration, and location of the  
 1-59 university and of the colleges, schools, and other institutions and  
 1-60 entities of the university prevails over other law.

2-1 Sec. 80.04. COURSES AND DEGREES. (a) The board may  
 2-2 prescribe courses leading to customary degrees offered at leading  
 2-3 American universities and may award those degrees, including  
 2-4 bachelor's, master's, and doctoral degrees and their equivalents.

2-5 (b) The board shall award degrees in the name of the  
 2-6 university.

2-7 (c) A degree program may not be instituted without the prior  
 2-8 approval of the Texas Higher Education Coordinating Board, except  
 2-9 that the university may offer any degree program previously  
 2-10 approved for Stephen F. Austin State University or expressly  
 2-11 authorized by this chapter or other law.

2-12 Sec. 80.05. UNIVERSITY OF THE FIRST CLASS. The board shall  
 2-13 make any other rules and regulations for the operation, control,  
 2-14 and management of the university as may be necessary for the conduct  
 2-15 of the university as a university of the first class.

2-16 Sec. 80.06. FACILITIES. The board shall provide for  
 2-17 adequate physical facilities for use by the university.

2-18 Sec. 80.07. GIFTS AND GRANTS. The board may solicit,  
 2-19 accept, and administer, on terms and conditions acceptable to the  
 2-20 board, gifts, grants, or donations of any kind and from any source  
 2-21 for use by the university.

2-22 Sec. 80.08. JOINT APPOINTMENTS. The board may make joint  
 2-23 faculty appointments to positions in the university and to  
 2-24 positions in other institutions under the governance of the board.

2-25 Sec. 80.09. PARTICIPATION IN PERMANENT UNIVERSITY FUND.  
 2-26 The legislature finds that the university is an institution of  
 2-27 higher education "created at a later date" for purposes of Section  
 2-28 18(c), Article VII, Texas Constitution. Accordingly, the  
 2-29 university is entitled to participate in the funding provided by  
 2-30 Section 18, Article VII, Texas Constitution, to the same extent as  
 2-31 similar component institutions of The University of Texas System.

2-32 SECTION 2. STEPHEN F. AUSTIN STATE UNIVERSITY ABOLISHED.

2-33 (a) Stephen F. Austin State University is abolished on a date the  
 2-34 board of regents of The University of Texas System determines  
 2-35 appropriate to achieve the maximum operating efficiency of the  
 2-36 system. The designated date must be entered into the minutes of the  
 2-37 board.

2-38 (b) The board of regents of The University of Texas System  
 2-39 shall provide to the secretary of state written notice of its action  
 2-40 under Subsection (a) of this section. Effective on the date the  
 2-41 board designates for the abolition of Stephen F. Austin State  
 2-42 University, Chapter 101, Education Code, is repealed.

2-43 (c) The board of regents of The University of Texas System  
 2-44 may not act under Subsection (a) of this section to abolish Stephen  
 2-45 F. Austin State University earlier than the date on which Stephen F.  
 2-46 Austin State University, a member of The University of Texas  
 2-47 System, begins operation.

2-48 (d) The board of regents of Stephen F. Austin State  
 2-49 University shall take all actions necessary to facilitate the  
 2-50 operation of Stephen F. Austin State University, a member of The  
 2-51 University of Texas System, and the orderly winding up of the  
 2-52 affairs of Stephen F. Austin State University. For that purpose,  
 2-53 the board of regents of Stephen F. Austin State University may  
 2-54 transfer management and control of Stephen F. Austin State  
 2-55 University to the board of regents of The University of Texas  
 2-56 System.

2-57 (e) On the date Stephen F. Austin State University is  
 2-58 abolished as provided by this Act, the terms of office of members of  
 2-59 the board of regents of Stephen F. Austin State University expire.

2-60 SECTION 3. UNIVERSITY CREATED; TRANSITION PROVISIONS. (a)  
 2-61 Stephen F. Austin State University, a member of The University of  
 2-62 Texas System, is created within The University of Texas System. As  
 2-63 provided by Chapter 80, Education Code, as added by this Act, the  
 2-64 board of regents of The University of Texas System shall establish  
 2-65 the university as a general academic teaching institution offering  
 2-66 the degrees authorized by that chapter.

2-67 (b) Stephen F. Austin State University, a member of The  
 2-68 University of Texas System, shall begin operating on a date the  
 2-69 board of regents of The University of Texas System determines

3-1 appropriate to achieve the maximum operating efficiency of the  
3-2 system. The designated date must be entered into the minutes of the  
3-3 board.

3-4 (c) In recognition of the abolition of Stephen F. Austin  
3-5 State University as authorized by this Act, the board of regents of  
3-6 The University of Texas System shall facilitate the employment at  
3-7 Stephen F. Austin State University, a member of The University of  
3-8 Texas System, of as many faculty and staff of the abolished  
3-9 university as is prudent and practical, subject to the following:

3-10 (1) a person who is tenured faculty of Stephen F.  
3-11 Austin State University on the date of the university's abolition  
3-12 is entitled to tenure at Stephen F. Austin State University, a  
3-13 member of The University of Texas System; and

3-14 (2) a person who is in a tenure-track teaching  
3-15 position at Stephen F. Austin State University on the date of the  
3-16 university's abolition is entitled to a tenure-track position at  
3-17 Stephen F. Austin State University, a member of The University of  
3-18 Texas System, and must be considered for tenure on the same schedule  
3-19 governing the position at Stephen F. Austin State University.

3-20 (d) A student admitted to or enrolled at Stephen F. Austin  
3-21 State University on the date of abolition is entitled to admission  
3-22 to Stephen F. Austin State University, a member of The University of  
3-23 Texas System, and the board of regents of The University of Texas  
3-24 System shall take actions necessary to facilitate that admission  
3-25 and the appropriate transfer of credits.

3-26 (e) On the date Stephen F. Austin State University is  
3-27 abolished as provided by this Act, all money, property, and  
3-28 facilities under the management and control of the board of regents  
3-29 of Stephen F. Austin State University are transferred to the  
3-30 management and control of the board of regents of The University of  
3-31 Texas System for the use and benefit of Stephen F. Austin State  
3-32 University, a member of The University of Texas System.

3-33 (f) On the date Stephen F. Austin State University is  
3-34 abolished as provided by this Act, the board of regents of The  
3-35 University of Texas System is substituted in contracts and other  
3-36 obligations for the board of regents of Stephen F. Austin State  
3-37 University. Contracts and written obligations of every kind and  
3-38 character entered into by the board of regents of Stephen F. Austin  
3-39 State University or the Texas Public Finance Authority for and on  
3-40 behalf of Stephen F. Austin State University, including bonds, are  
3-41 considered ratified, confirmed, and validated by the board of  
3-42 regents of The University of Texas System. In those contracts and  
3-43 written obligations, the board of regents of The University of  
3-44 Texas System is substituted for and stands and acts in the place of  
3-45 the board of regents of Stephen F. Austin State University or the  
3-46 Texas Public Finance Authority, as applicable, to the extent  
3-47 permitted by law. To the extent that Stephen F. Austin State  
3-48 University has authorized but unissued bonding authority under  
3-49 Section 55.1797, Education Code, the board of regents of The  
3-50 University of Texas System may issue bonds in that amount and for  
3-51 the same purposes under the systemwide revenue financing program  
3-52 for the benefit of Stephen F. Austin State University, a member of  
3-53 The University of Texas System.

3-54 (g) For Stephen F. Austin State University, a member of The  
3-55 University of Texas System, the board of regents of The University  
3-56 of Texas System may impose and collect any fee authorized by prior  
3-57 law for Stephen F. Austin State University, as that law existed at  
3-58 the time the university was abolished, as determined by the board  
3-59 and subject to the limitations provided by the prior law  
3-60 authorizing the fee. The abolition of Stephen F. Austin State  
3-61 University does not affect any pledge of revenue from a fee made by  
3-62 or on behalf of the university to pay obligations issued in  
3-63 connection with facilities for which the fee was imposed and the  
3-64 obligations were issued.

3-65 (h) A person who is a participant in a group benefits  
3-66 insurance program of Stephen F. Austin State University under  
3-67 Chapter 1551, Insurance Code, or who would be eligible to  
3-68 participate in that program at a future date as a retiree, is  
3-69 eligible to participate in the uniform benefits insurance program

4-1 of The University of Texas System under Chapter 1601, Insurance  
 4-2 Code, as an employee, current retiree, or vested former employee of  
 4-3 Stephen F. Austin State University, a member of The University of  
 4-4 Texas System, or as a dependent or surviving dependent, as if all  
 4-5 benefits-eligible service credit had been earned in a  
 4-6 benefits-eligible position at Stephen F. Austin State University, a  
 4-7 member of The University of Texas System. On behalf of those  
 4-8 participants under Chapter 1551, Insurance Code, who become  
 4-9 participants under Chapter 1601, Insurance Code, the Employees  
 4-10 Retirement System of Texas shall transfer to The University of  
 4-11 Texas System a lump sum actuarially determined to preserve existing  
 4-12 equities within the respective insurance programs. The systems  
 4-13 shall agree on the amount and the date of the transfer.

4-14 (i) For Stephen F. Austin State University, a member of The  
 4-15 University of Texas System, the board of regents of The University  
 4-16 of Texas System shall seek the inclusion of the university  
 4-17 initially in the same athletic conferences, and participation in  
 4-18 the same National Collegiate Athletic Association division, as  
 4-19 Stephen F. Austin State University immediately before its  
 4-20 abolition.

4-21 SECTION 4. AMENDMENT. Section 59.06, Education Code, is  
 4-22 amended to read as follows:

4-23 Sec. 59.06. LIMITATION ON APPROPRIATED FUNDS. Funds  
 4-24 appropriated by the legislature to The University of Texas System,  
 4-25 The Texas A&M University System, the Texas Tech University System,  
 4-26 the Texas State University System, the University of Houston  
 4-27 System, [~~Stephen F. Austin State University,~~] or the University of  
 4-28 North Texas System from the General Revenue Fund may not be used to  
 4-29 establish or maintain the fund, to purchase insurance, or to employ  
 4-30 private legal counsel.

4-31 SECTION 5. AMENDMENT. Section 62.021(a), Education Code,  
 4-32 is amended to read as follows:

4-33 (a) In each state fiscal year beginning with the state  
 4-34 fiscal year ending August 31, 2021, an eligible institution is  
 4-35 entitled to receive an amount allocated in accordance with this  
 4-36 section from the funds appropriated for that year by Section 17(a),  
 4-37 Article VII, Texas Constitution. The comptroller shall distribute  
 4-38 funds allocated under this subsection only on presentation of a  
 4-39 claim and issuance of a warrant in accordance with Section 403.071,  
 4-40 Government Code. An eligible institution may not present a claim to  
 4-41 be paid from any funds allocated under this subsection before the  
 4-42 delivery of goods or services described in Section 17, Article VII,  
 4-43 Texas Constitution, except for the payment of principal or interest  
 4-44 on bonds or notes or for a payment for a book or other published  
 4-45 library material as authorized by Section 2155.386, Government  
 4-46 Code. The allocation of funds under this subsection is made in  
 4-47 accordance with an equitable formula consisting of the following  
 4-48 elements: space deficit, facilities condition, institutional  
 4-49 complexity, and a separate allocation for the Texas State Technical  
 4-50 College System. The annual amounts allocated by the formula are as  
 4-51 follows:

4-52 (1) to the following component institutions of the  
 4-53 University of North Texas System:

4-54 (A) \$38,473,304 [~~\$37,346,563~~] to the University  
 4-55 of North Texas;

4-56 (B) \$15,581,837 [~~\$15,125,502~~] to the University  
 4-57 of North Texas Health Science Center at Fort Worth; and

4-58 (C) \$3,455,644 [~~\$3,354,441~~] to the University of  
 4-59 North Texas at Dallas;

4-60 (2) [~~\$11,277,793~~ to ~~Stephen F. Austin State~~  
 4-61 ~~University,~~

4-62 [~~(3)~~] to the following component institutions of the  
 4-63 Texas State University System:

4-64 (A) \$13,537,649 [~~\$13,141,181~~] to Lamar  
 4-65 University;

4-66 (B) \$2,630,158 [~~\$2,553,130~~] to the Lamar  
 4-67 Institute of Technology;

4-68 (C) \$1,533,301 [~~\$1,488,396~~] to Lamar State  
 4-69 College--Orange;

5-1 (D) \$2,283,992 [~~\$2,217,102~~] to Lamar State  
 5-2 College--Port Arthur;  
 5-3 (E) \$18,787,013 [~~\$18,236,811~~] to Sam Houston  
 5-4 State University;  
 5-5 (F) \$38,741,061 [~~\$37,606,478~~] to Texas State  
 5-6 University;  
 5-7 (G) \$2,216,640 [~~\$2,151,723~~] to Sul Ross State  
 5-8 University; and  
 5-9 (H) \$487,157 [~~\$472,890~~] to Sul Ross State  
 5-10 University--Rio Grande College;  
 5-11 (3) \$12,072,906 [~~(4) \$11,719,335~~] to Texas Southern  
 5-12 University;  
 5-13 (4) [~~(5)~~] to the following component institutions of  
 5-14 the Texas Tech University System:  
 5-15 (A) \$51,379,461 [~~\$49,874,746~~] to Texas Tech  
 5-16 University;  
 5-17 (B) \$22,305,642 [~~\$21,652,392~~] to Texas Tech  
 5-18 University Health Sciences Center;  
 5-19 (C) \$6,997,943 [~~\$6,792,999~~] to Angelo State  
 5-20 University;  
 5-21 (D) \$5,725,243 [~~\$5,557,572~~] to Texas Tech  
 5-22 University Health Sciences Center--El Paso; and  
 5-23 (E) \$5,082,034 [~~\$4,933,200~~] to Midwestern State  
 5-24 University;  
 5-25 (5) \$14,993,229 [~~(6) \$14,554,133~~] to the component  
 5-26 institutions of the Texas Woman's University System, allocated as  
 5-27 determined by the board of regents of the system;  
 5-28 (6) [~~(7)~~] to the following component institutions of  
 5-29 the University of Houston System:  
 5-30 (A) \$56,158,685 [~~\$54,514,004~~] to the University  
 5-31 of Houston;  
 5-32 (B) \$3,649,703 [~~\$3,542,817~~] to the University of  
 5-33 Houston--Victoria;  
 5-34 (C) \$7,959,137 [~~\$7,726,043~~] to the University of  
 5-35 Houston--Clear Lake; and  
 5-36 (D) \$11,155,034 [~~\$10,828,344~~] to the University  
 5-37 of Houston--Downtown;  
 5-38 (7) [~~(8)~~] to the following component institutions of  
 5-39 The Texas A&M University System:  
 5-40 (A) \$11,825,139 [~~\$11,478,824~~] to Texas A&M  
 5-41 University--Corpus Christi;  
 5-42 (B) \$7,687,534 [~~\$7,462,394~~] to Texas A&M  
 5-43 International University;  
 5-44 (C) \$9,125,307 [~~\$8,858,060~~] to Texas A&M  
 5-45 University--Kingsville;  
 5-46 (D) \$7,671,155 [~~\$7,446,495~~] to West Texas A&M  
 5-47 University;  
 5-48 (E) \$11,459,464 [~~\$11,123,859~~] to Texas A&M  
 5-49 University--Commerce; and  
 5-50 (F) \$2,112,129 [~~\$2,050,273~~] to Texas A&M  
 5-51 University--Texarkana; and  
 5-52 (8) [~~(9)~~] \$8,662,500 to the Texas State Technical  
 5-53 College System Administration and the following component  
 5-54 campuses, but not its extension centers or programs:  
 5-55 (A) Texas State Technical College--Harlingen;  
 5-56 (B) Texas State Technical College--Marshall;  
 5-57 (C) Texas State Technical College--West Texas;  
 5-58 (D) Texas State Technical College--Waco;  
 5-59 (E) Texas State Technical College--Fort Bend;  
 5-60 and  
 5-61 (F) Texas State Technical College--North Texas.

5-62 SECTION 6. AMENDMENT. Section 65.02(a), Education Code, is  
 5-63 amended to read as follows:

5-64 (a) The University of Texas System is composed of the  
 5-65 following institutions and entities:

- 5-66 (1) The University of Texas at Arlington [~~, including,~~
- 5-67 [~~(A) The University of Texas Institute of Urban~~
- 5-68 ~~Studies at Arlington, and~~
- 5-69 [~~(B) The University of Texas School of Nursing at~~

- 6-1 Arlington];
- 6-2 (2) The University of Texas at Austin~~[, including:~~
- 6-3 ~~[(A) The University of Texas Marine Science~~
- 6-4 ~~Institute,~~
- 6-5 ~~[(B) The University of Texas McDonald~~
- 6-6 ~~Observatory at Mount Locke, and~~
- 6-7 ~~[(C) The University of Texas School of Nursing at~~
- 6-8 ~~Austin];~~
- 6-9 (3) The University of Texas at Dallas;
- 6-10 (4) The University of Texas at El Paso~~[, including The~~
- 6-11 ~~University of Texas School of Nursing at El Paso];~~
- 6-12 (5) The University of Texas ~~[of the]~~ Permian Basin;
- 6-13 (6) The University of Texas at San Antonio~~[, including~~
- 6-14 ~~the University of Texas Institute of Texan Cultures at San~~
- 6-15 ~~Antonio];~~
- 6-16 (7) The University of Texas Southwestern Medical
- 6-17 ~~Center[, including:~~
- 6-18 ~~[(A) The University of Texas Southwestern~~
- 6-19 ~~Medical School at Dallas,~~
- 6-20 ~~[(B) The University of Texas Southwestern~~
- 6-21 ~~Graduate School of Biomedical Sciences at Dallas, and~~
- 6-22 ~~[(C) The University of Texas Southwestern Allied~~
- 6-23 ~~Health Sciences School at Dallas];~~
- 6-24 (8) The University of Texas Medical Branch at
- 6-25 ~~Galveston[, including:~~
- 6-26 ~~[(A) The University of Texas Medical School at~~
- 6-27 ~~Galveston,~~
- 6-28 ~~[(B) The University of Texas Graduate School of~~
- 6-29 ~~Biomedical Sciences at Galveston,~~
- 6-30 ~~[(C) The University of Texas School of Allied~~
- 6-31 ~~Health Sciences at Galveston,~~
- 6-32 ~~[(D) The University of Texas Marine Biomedical~~
- 6-33 ~~Institute at Galveston,~~
- 6-34 ~~[(E) The University of Texas Hospitals at~~
- 6-35 ~~Galveston, and~~
- 6-36 ~~[(F) The University of Texas School of Nursing at~~
- 6-37 ~~Galveston];~~
- 6-38 (9) The University of Texas Health Science Center at
- 6-39 ~~Houston[, including:~~
- 6-40 ~~[(A) The University of Texas Medical School at~~
- 6-41 ~~Houston,~~
- 6-42 ~~[(B) The University of Texas Dental Branch at~~
- 6-43 ~~Houston,~~
- 6-44 ~~[(C) The University of Texas Graduate School of~~
- 6-45 ~~Biomedical Sciences at Houston,~~
- 6-46 ~~[(D) The University of Texas School of Health~~
- 6-47 ~~Information Sciences at Houston,~~
- 6-48 ~~[(E) The University of Texas School of Public~~
- 6-49 ~~Health at Houston,~~
- 6-50 ~~[(F) The University of Texas Speech and Hearing~~
- 6-51 ~~Institute at Houston, and~~
- 6-52 ~~[(G) The University of Texas School of Nursing at~~
- 6-53 ~~Houston];~~
- 6-54 (10) The University of Texas Health Science Center at
- 6-55 ~~San Antonio[, including:~~
- 6-56 ~~[(A) The University of Texas Medical School at~~
- 6-57 ~~San Antonio,~~
- 6-58 ~~[(B) The University of Texas Dental School at San~~
- 6-59 ~~Antonio,~~
- 6-60 ~~[(C) The University of Texas Graduate School of~~
- 6-61 ~~Biomedical Sciences at San Antonio,~~
- 6-62 ~~[(D) The University of Texas School of Allied~~
- 6-63 ~~Health Sciences at San Antonio, and~~
- 6-64 ~~[(E) The University of Texas School of Nursing at~~
- 6-65 ~~San Antonio];~~
- 6-66 (11) The University of Texas M. D. Anderson Cancer
- 6-67 ~~Center[, including:~~
- 6-68 ~~[(A) The University of Texas M. D. Anderson~~
- 6-69 ~~Hospital,~~

7-1 [~~(B) The University of Texas M. D. Anderson Tumor~~  
7-2 ~~Institute, and~~  
7-3 [~~(C) The University of Texas M. D. Anderson~~  
7-4 ~~Science Park]; [and]~~  
7-5 (12) Stephen F. Austin State University, a member of  
7-6 The University of Texas System;  
7-7 (13) The University of Texas at Tyler; and  
7-8 (14) The University of Texas Rio Grande Valley [The  
7-9 ~~University of Texas Health Science Center--South Texas, including~~  
7-10 ~~The University of Texas Medical School--South Texas, if established~~  
7-11 ~~under Subchapter N, Chapter 74].~~

7-12 SECTION 7. EFFECTIVE DATE. (a) Except as otherwise  
7-13 provided by this section, this Act takes effect immediately if it  
7-14 receives a vote of two-thirds of all the members elected to each  
7-15 house, as provided by Section 39, Article III, Texas Constitution.  
7-16 If this Act does not receive the vote necessary for immediate  
7-17 effect, this Act has no effect.

7-18 (b) Section 62.021(a), Education Code, as amended by this  
7-19 Act, takes effect September 1, 2023.

7-20 \* \* \* \* \*